

State of California

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Legislative Change No.**98-14**Bill Number: AB 1613Author: Scott, et. alChapter Number: 98-792

Laws Affecting Franchise Tax Board:

Revenue and Taxation Code Sections 17072, 17140, and 17204Date Filed with the Secretary of the State: September 24, 1998

SUBJECT: Conformity/Education Loan Interest Deduction/Modifications of Qualified State Tuition Programs

Assembly Bill 1613 (Scott, et. al), as enacted on September 24, 1998, made the following changes to California law:

Section 17072 of the Revenue and Taxation Code is amended.

This act specifies that the deduction for interest on education loans provided in Section 17204 (discussed below) is allowed as an above-the-line deduction. Please note that AB 2797 (Stats. 1998, Ch. 322) made the same change by unmodified general date-change conformity.

Section 17140 of the Revenue and Taxation Code is amended.

This act modifies the existing Scholarshare exemption by conforming to the federal definition of "member of the family." Please note, this act did not make a similar change to the Scholarshare exemption provided under the Bank and Corporation Tax Law.

Section 17204 is added to the Revenue and Taxation Code.

This act conforms to the education loan interest deduction provided under Internal Revenue Code Section 221. Please note that AB 2797 made the same change by unmodified general date-change conformity.

This act is effective immediately and applies to taxable years beginning on or after January 1, 1998.

This act will not require any reports by the department to the Legislature.

Bureau Director

Date

Johnnie Lou Rosas

10/2/98